To meet the future demand in the state of Orissa, it is planned to set up the following LPG bottling plants under IX Plan Proposals:

Location	*Capacity (TMTPA)*
Rourkela	22
Haldiagada	5

Losses due to outdated methods of purchasing Oil/Petroleum Products

412. DR. Y. LAKSHMI PRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have lost $ 1 billion over the last 10 years as a result of outdated methods of pruchasing Oil/Petroleum products;

(b) whether these outdated methods have been identified and if so, the details thereof; and

(c) the steps being taken to streamline the purchasing methods?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA): (a) Major quantity of oil imports are made through term contracts directly with the national oil companies of the oil producing countries having exportable surplus at their official selling prices. Only the balance quantities are purchased through international tenders from refistered parties based on economic/commercial considerations on competitive basis. All imports are being made on variable market related prices prevailing at the time of loading of the respective cargo. Since all pruchase are made at market related prices, the question of loss does not arise.

(b) and (c) In view of the complexities and chanaging pattern of oil traders in the interantional market, it has been decided to review the existing purchase system through a reputed international consultant so as to ensure that the best pruchase practices followed in the international market are adopted by IOC. M/s, Arthur Anderson have been appointed as consultant for this purpose by IOC to review existing system of pruchase etc. and make recommendations based on practices generally followed in the Oil Inudstry, so as to upgrade the system to international standards.

Status of Oil Pool Account

413. SHRI S.M. KRISHNA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is meant by Oil Pool Account and what are the components thereof;

(b) how the Oil Pool Account is mentioned and when such account was created;

(c) the details of amount available in the account during the last three years, year-wise;

(d) the amount collected from excise and customs duties from different oil companies, company-wise during the last three years, years-wise; and

(e) whether such collection has any effect on the deficit in Oil Pool Account; if so, to what extent?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA): (a) and (b) The existing Oil Pool Account Mechanism and pricing of petroleum products is based on the recommnedations of the Oil Prices Committee, 1976 (OPC) as amended by the Oil Cost Review Committee, 1984 (OCRC). The pool accounts are maintained to provide uniform and stable prices to the consumers within the country and reasonable retention margin for the oil companies. The adjustments are made under the following main heads;

— Crude Oil Price Equalisation Account

— Cost & Freight Adjustment Account

— Freight Surcharge Pool Account

— Product Price Adjustment Account.

The oil pool account are expected to be self-balancing.